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October 30, 2006

FLORENCE P. BELSER
GENERAL COUNSEL

VIA E-FILEING & HAND DELIVERY

The Honorable Charles L.A. Terreni
Chief Clerk/Administrator
South Carolina Public Service Commission
101 Executive Center Dr., Suite 100
Columbia, SC 29210

Re: Request of Flatel, Inc. d/b/a Telephone USA for Reinstatement Of Its Certificate
of Public Convenience And Necessity
Docket No. 1999-515-C and 2005-224-C

Dear Mr. Terreni:

Enclosed please find the original and one copy of the Office of Regulatory Staff's Response to Request of Flatel for Reinstatement of Certificate and Request for Order of Conditional Reinstatement to Prohibit Flatel from Accepting New Customers and Requiring Filing of Revised 2004 and 2005 Gross Receipts Reports and USF Fund Contribution Sheets in the above referenced dockets.

Please note that the attached documents are exact duplicates, with the exception of the form of the signature, of the e-filed copy submitted to the Commission in accordance with its electronic filing instructions.

By copy of this letter we are also serving all other parties of record. Please let me know if you have any questions.

Sincerely,


Jeffrey M. Nelson

JMN/pjm
Enclosures

cc: Mr. Abby Matari, CEO, Flatel, Inc.

BEFORE
THE PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA
DOCKET NO. 1999-515-C and 2005-224-C

October 30, 2006

In Re: Request of Flatel, Inc.d/b/a	)	Response to Request of Flatel for
Telephone USA for Reinstatement	)	Reinstatement of Certificate and
Of Its Certificate of Public Convenience	)	Request for Order of Conditional
And Necessity	)	Reinstatement to Prohibit Flatel
	)	from Accepting New Customers
	)	and Requiring Filing of Revised
	)	2004 and 2005 Gross Receipts
	)	Reports and USF Fund Contribution
	)	Sheets

The Office of Regulatory Staff ("ORS") makes the following response to the request of Flatel, Inc. d/b/a Telephone USA ("Flatel") for reinstatement of its certificate by the South Carolina Public Service Commission ("Commission"). ORS prays that the Commission deny the request for reinstatement by Flatel, and, instead, provide for a Thirty (30) day conditional reinstatement based on the following:

1. The ORS is a state agency with its offices located at 1441 Main Street, Suite 300, Columbia, South Carolina 29201.
2. Flatel is a competitive local exchange carrier with offices located at 2300 Palm Beach Lakes Blvd., Suite 210, West Palm Beach, FL 33409. The Registered Agent for Flatel in South Carolina resigned on September 24, 2003, and the company's status as a registered foreign corporation was forfeited with the South Carolina Secretary of State's Office on August 29, 2005. See, Exhibit A.

3. The Commission is a state agency constituted pursuant to the laws of the State of South Carolina with its business offices located in Columbia, South Carolina. Further, the Commission has jurisdiction over telephone utilities operating for compensation as set forth in S.C. Code Ann. § 58-3-140 and §58-9-10 et seq. (Supp. 2005).
4. ORS is charged with the duty to protect the public interest pursuant to S.C. Code Ann. §58-4-10, et seq. as enacted by 2004 S.C. Act 175.
5. The ORS is informed and believes that Flatel is currently operating as a “telephone utility” as defined in S.C. Code Ann. §58-9-10(6) (Supp. 2005) in that they are persons or corporations, their lessees, assignees, trustees, receivers or other successors in interest owning or operating in this State equipment or facilities for the transmission of intelligence by telephone for hire, including all things incident thereto and related to the operation of telephones.
6. Flatel is subject to the jurisdiction of this Commission pursuant to S.C. Code Ann. §58-9-710 et seq. as amended by 2006 S.C. Act 318. Further, Flatel submitted itself to the jurisdiction of the Commission by applying for and being issued a Certificate of Public Convenience and Necessity in Docket No. 1999-515-C, Orders No. 2000-380 as revised by Order No. 2001-1137. See Exhibit B.
7. Flatel ‘s Certificate of Public Convenience and Necessity (CP&N) was revoked by the Commission in Order No. 2006-55 issued in Docket No. 2005-224-C on January 26, 2006. See, Exhibit C.
8. ORS is informed and believes that Flatel has continued to operate as a telephone utility in South Carolina subsequent to the Commission’s revocation of their certificate on January 26, 2006 until the present time.

9. On or about October 19, 2006 Flatel filed a request with the Commission for reinstatement of its Certificate of PC&N to operate as a telephone utility in South Carolina. Included with this petition was a copy of a South Carolina Department of Revenue Form C-287 ("2005 Telecommunications Annual Report Reporting on 2004 Gross Income") reporting that Flatel had statewide gross revenues in South Carolina of \$571,813.89 for the calendar or fiscal year ending in 2004. See, Exhibit D.
10. ORS opposes the unconditional reinstatement request by Flatel on the following grounds:
 - a. The South Carolina Department of Revenue Form C-287 filed by Flatel in support of its request for reinstatement is not the form required by the ORS and Commission ("Annual Information on South Carolina Operations") to be filed annually by telephone utilities in South Carolina. See, Exhibit E.
 - b. Based on a review of the information contained in its records, the ORS states and believes that Flatel failed to submit a gross receipts report for 2004, the payment for the assessment of which would have been made in July 2005.
 - c. Based on a review of the information contained in its records, the ORS states and believes that Flatel failed to remit gross receipt assessments during 2005 for gross receipts reporting made during 2004.
 - d. According to ORS records Flatel did file gross receipts reports for 2005 and 2006, however, the company's reporting of Zero (0) gross receipts for 2005 (See, Exhibit F) appears on its face to be inaccurate in light of reported gross receipts of \$1,201,071.96 for the Twelve months ending June 30, 2006 (See, Exhibit G) and \$571,813.89 for 2004 as reported to the South Carolina Department of Revenue (See, Exhibit D, pg. 2).

e. According to ORS records, Flatel has failed to file any annual Universal Service Fund (“USF”) Contribution sheets with the ORS to enable this Agency to accurately determine what, if any, contributions to the South Carolina USF are owed by Flatel.

f. According to the public records of the South Carolina Secretary of State’s office, Flatel is currently in forfeiture as a foreign corporation in the State of South Carolina. (See, Exhibit A).

11. Upon information and belief, Flatel continues to do business in the State of South Carolina as a telephone utility and has numerous, although an unknown number, of customers in this state.

WHEREFORE, the ORS respectfully requests that the Honorable Commission:

1. Grant Flatel’s request for reinstatement on a conditional and temporary basis for a period of Thirty (30) days;

2. Require Flatel to provide to the ORS data, records, and information to clarify its annual gross receipts earned in South Carolina for the years 2004 and 2005;

3. Require Flatel to file USF worksheets with the ORS for the years 2004 and 2005 to determine if Flatel owes any unpaid contributions to the South Carolina USF and, if so, to make such contributions;

4. Require Flatel to appoint a registered agent for service in the State of South Carolina and do whatever other actions are required to bring the company in good standing with the South Carolina Secretary of State’s Office as a foreign corporation authorized to do business in this state;

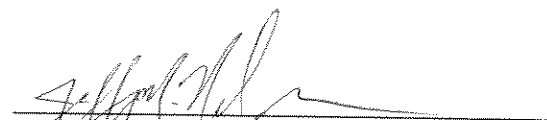
5. Order Flatel to immediately cease and desist from soliciting or acquiring any additional customers in South Carolina pending a final disposition of this matter to resolve the status of Flatel's certification from the Commission to operate as a telephone utility in South Carolina;

6. Order Flatel to remit to the State of South Carolina and the ORS any assessment of monies determined by the ORS to be past due by Flatel for gross receipts earned in South Carolina during 2004 and 2005, such amount as to be determined by the ORS and carried forward for payment with Flatel's 2006 assessment in accordance with Proviso 1B, Sec. 42A.3 of the South Carolina FY 2006-2007 Budget (Bill H. 4810);

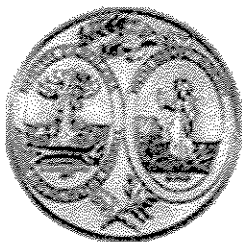
7. Order Flatel to notify the ORS and the Commission immediately of any additional future changes in the address of its principle place of business;

8. Permit the ORS to report to the Commission within thirty (30) days of its issuance of its Order in this matter the Respondents' compliance with Commission rules and regulations and the requests made by the ORS herein for further recommendation regarding Flatel's request for reinstatement.

9. For other appropriate action which the Commission may deem necessary.


Jeffrey M. Nelson, Esquire
Office of Regulatory Staff
P.O. Box 11263
Columbia, South Carolina 29211

October 30, 2006
Columbia, South Carolina



Secretary of State Search



Mark Hammond's Office

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Office of the South Carolina Secretary of State

Business Filings Division

Information for: **FLATEL, INC.**[Check Ch](#)

Note*** This online database was last updated on 10/27/2006 see our Disclaimer

DOMESTIC / FOREIGN:

Foreign

STATUS:

Forfeiture

STATE OF INCORPORATION /

FLORIDA

ORGANIZATION:

For Profit

REGISTERED AGENT INFORMATION

REGISTERED AGENT NAME: AGENT
ADDRESS: RESIGNED
CITY:
STATE: SC
ZIP: 00000 000
SECOND ADDRESS:

FILE DATE: 04/20/2000
EFFECTIVE DATE: 04/20/2000
DISSOLVED DATE: 08/29/2005

CORPORATION HISTORY RECORDS

Code	File Date	Comment
FORFEITURE	08/29/2005	FORFEITURE #2
NOT ABLE TO MAINTAIN REGISTRATED AGENT	09/24/2003	RESIGNATION OF AGT/ADD
AUTHORITY(FOREIGN))	04/20/2000	AUTHORITY

[Return to Previous Page](#)

ATTACHMENT B

BEFORE

THE PUBLIC SERVICE COMMISSION OF

SOUTH CAROLINA

DOCKET NO. 1999-515-C - ORDER NO. 2000-0380

APRIL 26, 2000

IN RE: Application of Flatel, Inc. DBA Florida) ORDER
Telephone Company for a Certificate of Public) GRANTING
Convenience and Necessity to Provide Local) CERTIFICATE
Exchange Telecommunications Services within)
the State of South Carolina.)

This matter comes before the Public Service Commission of South Carolina (the "Commission") by way of the Application of Flatel, Inc. DBA Florida Telephone Company ("Flatel" or the "Company") requesting a Certificate of Public Convenience and Necessity authorizing it to provide local exchange telecommunications services throughout the State of South Carolina. The Company's Application was filed pursuant to S.C. Code Ann. §58-9-280 (Supp. 1998) and the Regulations of the Public Service Commission of South Carolina.

By letter, the Commission's Executive Director instructed Flatel to publish, one time, a prepared Notice of Filing in newspapers of general circulation in the areas affected by the Application. The proposed Notice of Filing was to inform interested parties of the manner and time in which to file the appropriate pleadings for participation in the proceedings. Flatel complied with this instruction and provided the Commission with proof of publication of the Notice of Filing. A Petition to Intervene was received from the South Carolina Telephone Coalition ("SCTC").

A hearing was commenced on April 18, 2000, at 2:30 p.m., in the Commission's Hearing Room. The Honorable Philip T. Bradley, Chairman, presided. Abby Matari appeared on behalf of Flatel. F. David Butler, General Counsel, represented the Commission Staff.

Abby Matari, Executive Vice President of Flatel, appeared and testified in support of the Application. Flatel is a Florida corporation and has been granted a Certificate of Authorization to transact business in the State of South Carolina by the South Carolina Secretary of State. Upon certification from this Commission, Flatel intends to offer local exchange services as a pure reseller, i.e. non-facilities based reseller. According to Mr. Matari, Flatel is an alternative telephone company primarily furnishing prepaid local dial tone service to individuals and businesses.

Mr. Matari explained that customers will have access to customer service representatives through a toll-free (1-800) number. Flatel will provide its customer service functions through an operations center located in West Palm Beach, Florida, which is where Flatel's principal place of business is located. Flatel will maintain a presence in South Carolina through a network of vendors who receive and collect service orders and payment transactions.

Mr. Matari offered that Flatel possesses the necessary financial qualifications to provide the services for which it seeks authority. Flatel provided, with its application, financial information to demonstrate its financial resources.

Regarding the Company's technical ability to offer services in South Carolina, Flatel, as a pure reseller of telecommunications services, will depend to some extent on the technical abilities of the ILEC. Flatel will purchase local exchange service from the ILEC, and accordingly, the quality of the local exchange service provided by Flatel will be at least equal to that provided by the ILEC. Further, Mr. Matari offered that Flatel is providing services in others states and offered the successful provision of services as evidence of Flatel's technical abilities.

Mr. Matari also testified about the management resources of Flatel. The record shows that the management team of Flatel consists of individuals with experience in telecommunications, sales, marketing, and human resources.

Mr. Matari stated that Flatel has a regional resale agreement with BellSouth Telecommunications, Inc. Mr. Matari affirmed that Flatel will provide services that meet the service standards of the Commission, that Flatel will participate in the support of universally available telephone service at affordable rates as required by the Commission, and that the services provided by Flatel will neither adversely impact the availability of universally affordable local exchange service nor adversely impact the public interest. According to Mr. Matari approval of the authority for Flatel will provide consumers in South Carolina will additional choices of local service and will increase incentives for all competitors to offer better services and packages of services. Mr. Matari also testified that Flatel will operate in compliance with the Commission's Rules and Regulations, orders and statutes.

Flatel offered into evidence a Stipulation with the SCTC in which Flatel stipulated that it would only seek authority in non-rural local exchange ("LEC") service areas of South Carolina and that it would not provide any local service to any customer located in a rural incumbent's service area, unless and until Flatel provided written notice of its intent prior to the date of the intended service. Flatel also stipulated that it was not asking the Commission to make a finding at this time regarding whether competition is in the public interest for rural areas. Flatel agreed to abide by all State and Federal laws and to participate to the extent it may be required to do so by the Commission in support of universally available telephone service at affordable rates. The Stipulation is attached hereto as Exhibit 1.

During the course of the hearing, some concern arose among the Commissioners with regard to the Company's "Basic" Plan for service. The only difference between the Company's "Basic" Plan priced at \$49.95 and its "Economy" Plan, priced at \$39.95 was the addition of "Call Waiting" to the "Basic" Plan. Although there is a \$10.00 difference between these plans, "Call Waiting" was

also available as a separate “menu” item for \$6.25. Thus, the Consumer lost \$3.75 by subscribing to the “Basic” Plan. Also at the time of the hearing, witness Matari did not possess the requisite Certificate from the Secretary of State, nor did he possess updated financials, an interconnection agreement, or an agreement with a direct marketer in South Carolina. The problem with the “Basic” Plan has now been cured, with the addition of “Call Return,” a \$6.00 value to the Plan. The consumer now gets a \$12.25 value for an additional \$10.00 over the “Economy” Plan. Flatel has also furnished proper Certificate from the Secretary of State, a partial interconnection agreement, and a letter of intent from a marketer who wants to market the Company’s services. No updated financials have been provided.

FINDINGS OF FACT

1. Flatel is organized as a corporation under the laws of Florida and has received a certificate from the South Carolina Secretary of State to transact business within South Carolina as a foreign corporation.
2. Flatel wishes to provide local exchange services within the State of South Carolina.
3. The Commission finds that Flatel possesses the technical, financial, and managerial resources sufficient to provide the service requested. S.C. Code Ann. §58-9-280(B)(1) (Supp. 1998).
4. The Commission finds that Flatel’s “provision of service will not adversely impact the availability of affordable local exchange service.” S.C. Code Ann. §58-9-280(B)(3) (Supp. 1998).
5. The Commission finds that Flatel will support universally available telephone service at affordable rates. S.C. Code Ann. §58-9-280(B)(4) (Supp. 1998).
6. The Commission finds that Flatel will provide services which will meet the service standards of the Commission. S.C. Code Ann. §58-9-280(B)(2) (Supp. 1998).

7. The Commission finds that the provision of local exchange service by Flatel “does not otherwise adversely impact the public interest.” S.C. Code Ann. §58-9-280(B)(5) (Supp. 1998).

CONCLUSIONS OF LAW

1. Based on the above findings of fact, the Commission determines that a Certificate of Public Convenience and Necessity should be granted to Flatel to provide competitive intrastate resold and facilities-based local exchange services only to customers located in non-rural areas of South Carolina, however, subject to a three-month probationary period from the time that the Company begins offering its services in South Carolina, due to the various difficulties that occurred at the hearing as described above. We believe that Staff shall monitor the Company during the three-month period, and report any problems that may arise to this Commission. The Company may also be subject to an additional hearing after notice. At the end of the three-month period, we will assess the Company’s performance. Accordingly, the Company will report to this Commission the date that it begins offering services in South Carolina, for purposes of beginning the probationary period. Also, as a condition of its probation, the Company will furnish updated financials within thirty (30) days of its receipt of this Order. If this Commission believes, after the probationary period, that this Company’s performance is detrimental to the public interest, it may revoke this Certificate, after notice and hearing.

The terms of the Stipulation between Flatel and the SCTC (attached hereto as Exhibit 1) are approved and adopted as a portion of this Order. In accordance with the Stipulation, Flatel may not provide any local service to a customer located in a rural incumbent LEC’s service area, unless or until Flatel provides such rural incumbent LEC and the Commission, written notice of its intent to do so at least thirty (30) days prior to the date of the intended service. During such notice period, the rural incumbent LEC will have the opportunity to petition the Commission to exercise all rights

afforded it under Federal and State law. The Commission may suspend the intended date for service in rural LEC territory for ninety (90) days while it conducts any proceeding incident to the Petition or upon the Commission's own Motion, provided that the Commission can further suspend the implementation date upon a showing of good cause. It is specifically provided that all rights under Federal and State law are reserved to the rural incumbent LECs, and this Order in no way suspends or adversely affects such rights, including any exemptions, suspensions, or modifications as they may be entitled. If, after notice from Flatel that it intends to serve a customer located in a rural incumbent LEC's service area, and the Commission receives a Petition from the rural incumbent LEC to exercise its rights under Federal or State law, or if the Commission institutes a proceeding of its own, no service may be provided by Flatel pursuant to this Order without prior and further Commission approval.

Any proposal to provide local services to rural service areas is subject to the terms of the Stipulation.

2. Flatel shall file, prior to offering local exchange services in South Carolina, its final tariff of its local service offerings conforming to all matters discussed with Staff and comporting with South Carolina law in all matters. Any proposed change in the rates reflected in the tariff for local services which would be applicable to the general body of the Company's subscribers shall constitute a general ratemaking proceeding and will be treated in accordance with the notice and hearing provisions of S.C. Code Ann. §58-9-540 (Supp. 1998).

3. Flatel shall resell or provide the services of only those companies authorized to provide telecommunications services in South Carolina by this Commission.

4. Flatel shall conduct its business in compliance with Commission decisions and Orders, both past and future, including but not limited to, any and all Commission decisions which may be rendered in Docket No. 96-018-C regarding local competition.

5. Flatel shall file annual financial information in the form of annual reports and gross receipt reports as required by the Commission. The annual report and the gross receipt report will necessitate the filing of intrastate information. Therefore, Flatel shall keep such financial records on an intrastate basis as needed to comply with the annual report and gross receipt filings.

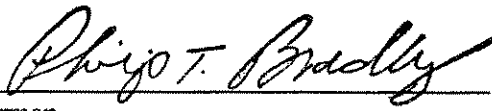
6. Title 23, Chapter 47, South Carolina Code of Laws Ann., governs the establishment and implementation of a "Public Safety Communications Center," which is more commonly known as a "911 system" or "911 service." Services available through a 911 system include law enforcement, fire, and emergency medical services. In recognition of the necessity of quality 911 services being provided to the citizens of South Carolina, the Commission hereby instructs Flatel to contact the appropriate authorities regarding 911 service in the counties and cities where the Company will be operating. Contact with the appropriate 911 service authorities is to be made before beginning telephone service in South Carolina. Accompanying this Order is an information packet from the South Carolina Chapter of the National Emergency Number Association ("SC NENA") with contact information and sample forms. The Company may also obtain information by contacting the E911 Coordinator at the Office of Information Resources of the South Carolina Budget and Control Board. By this Order and prior to providing services within South Carolina, Flatel shall contact the 911 Coordinator in each county, as well as the 911 Coordinator in each city where the city has its own 911 system, and shall provide information regarding the Company's operations as required by the 911 system.

7. The Company shall, in compliance with Commission regulations, designate and maintain authorized utility representatives who are prepared to discuss, on a regulatory level, customer relations (complaint) matters, engineering operations, tests and repairs. In addition, the Company shall provide to the Commission in writing the names of the authorized representatives to be contacted in connection with general management duties as well as emergencies which occur during non-office hours.

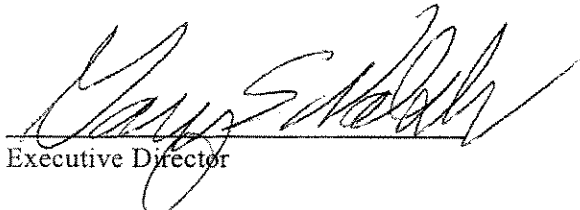
Flatel shall file the names, addresses and telephone numbers of these representatives with the Commission within thirty (30) days of receipt of this Order. (Attachment A shall be utilized for the provision of this information to the Commission.) Further, the Company shall promptly notify the Commission in writing if the representatives are replaced.

8. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:


Chairman

ATTEST:


Executive Director

(SEAL)

April 26, 2000

ATTACHMENT A

AUTHORIZED UTILITY REPRESENTATIVE INFORMATION

PURSUANT TO SOUTH CAROLINA PUBLIC SERVICE COMMISSION REGULATION

103-612.2.4(b) - Each utility shall file and maintain with the Commission the name, title, address, and telephone number of the persons who should be contacted in connection with General Management Duties, Customer Relations (Complaints), Engineering Operations, Test and Repairs, and Emergencies during non-office hours.

Company Name (Including dba Name(s) or Acronyms used or to be used in South Carolina)

Business Address

City, State, Zip Code

A.

General Manager Representative (Please Print or Type)

Telephone Number / Facsimile Number / E-mail Address

B.

Customer Relations (Complaints) Representative (Please Print or Type)

Telephone Number / Facsimile Number / E-mail Address

C.

Engineering Operations Representative (Please Print or Type)

Telephone Number / Facsimile Number / E-mail Address

D.

Test and Repair Representative (Please Print or Type)

Telephone Number / Facsimile Number / E-mail Address

E.

Contact for Emergencies During Non-Office Hours (Please Print or Type)

Telephone Number / Facsimile Number / E-mail Address

F.

Financial Representative (Please Print or Type)

Telephone Number / Facsimile Number / E-mail Address

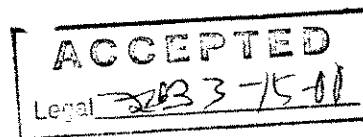
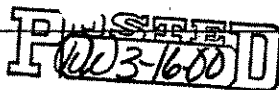
G.

Customer Contact Telephone Number for Company (Toll Free)

This form was completed by

Signature

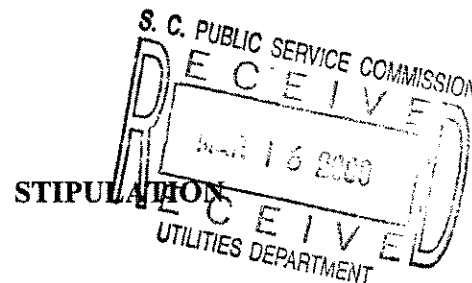
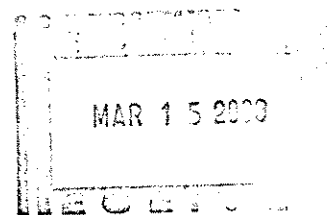
If you have any questions, contact the Consumer Services Department (803-896-5230)
or Utilities Department at (803-896-5105).



BEFORE
THE PUBLIC SERVICE COMMISSION
OF
SOUTH CAROLINA

Docket No. 1999-515-C

Re: Application of Flatel, Inc. d/b/a Florida)
Telephone Company for a Certificate of Public)
Convenience and Necessity to Provide Local)
Exchange Telecommunications Services in the)
State of South Carolina)



The South Carolina Telephone Coalition ("SCTC") (see attachment "A" for list of companies) and Flatel, Inc. d/b/a Florida Telephone Company ("Flatel, Inc.") hereby enter into the following stipulations. As a consequence of these stipulations and conditions, SCTC does not oppose Flatel, Inc.'s Application. SCTC and Flatel, Inc. stipulate and agree as follows:

1. SCTC does not oppose the granting of a statewide Certificate of Public Convenience and Necessity to Flatel, Inc., provided the South Carolina Public Service Commission ("Commission") makes the necessary findings to justify granting of such a certificate, and provided the conditions contained within this stipulation are met.

2. Flatel, Inc. stipulates and agrees that any Certificate which may be granted will authorize Flatel, Inc. to provide service only to customers located in non-rural local exchange company ("LEC") service areas of South Carolina, except as provided herein.

3. Flatel, Inc. stipulates that it is not asking the Commission to make a finding at this time regarding whether competition is in the public interest for rural areas.

4. Flatel, Inc. stipulates and agrees that it will not provide any local service, by its own facilities or otherwise, to any customer located in a rural incumbent LEC's service area, unless and

until Flatel, Inc. provides such rural incumbent LEC and the Commission with written notice of its intent to do so at least thirty (30) days prior to the date of the intended service. During such notice period, the rural incumbent LEC will have the opportunity to petition the Commission to exercise all rights afforded it under Federal and State law. Also, Flatel, Inc. acknowledges that the Commission may suspend the intended date for service in rural LEC territory for ninety (90) days while the Commission conducts any proceeding incident to the Petition or upon the Commission's own Motion, provided that the Commission can further suspend the implementation date upon showing of good cause.

5. Flatel, Inc. stipulates and agrees that, if Flatel, Inc. gives notice that it intends to serve a customer located in a rural incumbent LEC's service area, and either (a) the Commission receives a Petition from the rural incumbent LEC to exercise its rights under Federal or State law within such 30-day period, or (b) the Commission institutes a proceeding of its own, then Flatel, Inc. will not provide service to any customer located within the service area in question without prior and further Commission approval.

6. Flatel, Inc. acknowledges that any right which it may have or acquire to serve a rural telephone company service area in South Carolina is subject to the conditions contained herein, and to any future policies, procedures, and guidelines relevant to such proposed service which the Commission may implement, so long as such policies, procedures, and guidelines do not conflict with Federal or State law.

7. The parties stipulate and agree that all rights under Federal and State law are reserved to the rural incumbent LECs and Flatel, Inc., and this Stipulation in no way suspends or adversely affects such rights, including any exemptions, suspensions, or modifications to which they may be entitled.

8. Flatel, Inc. agrees to abide by all State and Federal laws and to participate, to the extent it may be required to do so by the Commission, in the support of universally available telephone service at affordable rates.


9. Flatel, Inc. hereby amends its application and its prefiled testimony in this docket to the extent necessary to conform with this Stipulation.

AGREED AND STIPULATED to this 9th day of MARCH, 2000.

Flatel, Inc. d/b/a Florida Telephone Company:



South Carolina Telephone Coalition:



M. John Bowen, Jr.
Margaret M. Fox
McNAIR LAW FIRM, P.A.
Post Office Box 11390
(803) 799-9800

Attorneys for the South Carolina Telephone Coalition

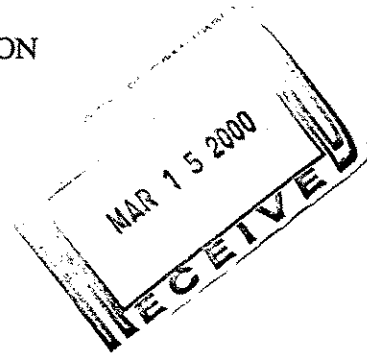
ATTACHMENT A

South Carolina Telephone Coalition Member Companies for Purposes of Local Service Stipulation

ALLTEL South Carolina, Inc.
Bluffton Telephone Company, Inc.
Chesnee Telephone Company
Chester Telephone Company
Farmers Telephone Cooperative, Inc.
Ft. Mill Telephone Company
Hargray Telephone Company, Inc.
Heath Springs Telephone Company Inc.
Home Telephone Company, Inc.
Lancaster Telephone Company
Lockhart Telephone Company
McClellanville Telephone Company
Norway Telephone Company
Palmetto Rural Telephone Cooperative, Inc.
Piedmont Rural Telephone Cooperative, Inc.
Pond Branch Telephone Company
Ridgeway Telephone Company
Rock Hill Telephone Company
Sandhill Telephone Cooperative, Inc.
St. Stephen Telephone Company
West Carolina Rural Telephone Cooperative, Inc.
Williston Telephone Company

BEFORE
THE PUBLIC SERVICE COMMISSION
OF
SOUTH CAROLINA

Docket No. 1999-515-C

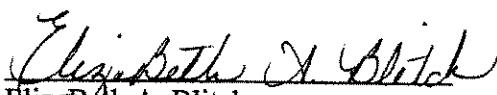


Re: Application of Flatel, Inc. d/b/a Florida)
Telephone Company for a Certificate of Public)
Convenience and Necessity to Provide Local)
Exchange Telecommunications Services in the)
State of South Carolina)
_____)

**CERTIFICATE OF
SERVICE**

I, ElizaBeth A. Blitch, do hereby certify that I have this date served one (1) copy of the foregoing Stipulation upon the following party of record by causing said copy to be deposited with the United States Mail, first class postage prepaid to:

Mr. Abby Matari
Florida Telephone Company
2128 Okeechobee Blvd.
West Palm Beach, Florida 33409.


ElizaBeth A. Blitch
McNAIR LAW FIRM, P.A.
Post Office Box 11390
Columbia, South Carolina 29211
(803) 799-9800

March 15, 2000

Columbia, South Carolina

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA

DOCKET NO. 1999-515-C - ORDER NO. 2001-1137

DECEMBER 19, 2001

IN RE: Application of FLATEL, Inc. d/b/a Florida Telephone Company for a Certificate of Public Convenience and Necessity to Provide Local Exchange Telecommunications Services within the State of South Carolina.) ORDER APPROVING NAME MODIFICATION

This matter comes before the Public Service Commission of South Carolina (the Commission) on the request of FLATEL, Inc. d/b/a Florida Telephone Company (FLATEL or the Company) for approval of a modification of the Company's name by which it will be doing business in South Carolina. FLATEL proposes to amend the Company's name to FLATEL, Inc. d/b/a Telephone USA.

A review of the docket file reveals that FLATEL was originally granted authority to provide competitive intrastate resold and facilities-based local exchange telecommunications services in the name of FLATEL, Inc. d/b/a Florida Telephone Company and that such authority was provided by Order No. 2000-0380, Docket No. 1999-515-C, dated April 26, 2000.

Upon filing of the Company's request, the Commission's Executive Director instructed FLATEL to publish a Notice of Filing in newspapers of general circulation in the Company's service area. The Company filed an affidavit showing that it had complied with the instructions of the Commission's Executive Director. No Protests or Petitions to Intervene were filed in this matter.

Upon consideration of this matter, the Commission finds and concludes that the Certificate of Public Convenience and Necessity granted to FLATEL should be amended to reflect the change of the d/b/a name. The Commission approves the following amendment to the name of the Company:

FROM: FLATEL, Inc. d/b/a Florida Telephone Company

TO: FLATEL, Inc. d/b/a Telephone USA.

The Commission's records will hereby reflect the modification of the name of the Company as set forth above.

This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:


Chairman

ATTEST:


Executive Director

(SEAL)

BEFORE

THE PUBLIC SERVICE COMMISSION OF

SOUTH CAROLINA

DOCKET NO. 2005-224-C - ORDER NO. 2006-55

JANUARY 26, 2006

IN RE: Petition of the Office of Regulatory Staff for	) ORDER
the Commission to Order a Rule to Show	) REVOKING
Cause as to Why the Certificates of Public	) CERTIFICATES
Convenience and Necessity for Certain)
Providers of Telecommunications Services)
Should Not Be Revoked)

This matter comes before the Public Service Commission of South Carolina (the Commission) on the Petition of the Office of Regulatory Staff (ORS) for the Commission to Order a Rule to Show Cause as to why the Certificates of Public Convenience and Necessity for certain providers of telecommunications services should not be revoked for failure to comply with orders, decisions, directions, rules and regulations made or prescribed by the Commission and/or for failure to comply with the laws governing corporations, partnerships and associations. ORS's Petition was filed with the Commission on July 27, 2005.

Pursuant to Order No. 2005-531, we granted the requested Rule to Show Cause, and ordered that a formal hearing would be scheduled for December 1, 2005, in the Commission's offices. We also required that Notice of the Petition and hearing be served upon the Certificate holders named in the Exhibits, and that said Certificate holders be required to submit an answer to the Petition within thirty (30) days of receipt of the Petition. Proof of Service of the Notice of the Petition and hearing were filed in the

Docket by the Commission's Docketing Department. Answers were received from some of the Certificate holders.

Subsequently a hearing was held in the Commission Offices on December 1, 2005, with the Honorable Randy Mitchell, Chairman, presiding. The Office of Regulatory Staff was represented by Benjamin Mustian, Esquire. In the hearing, ORS witness James McDaniel adopted and presented the prefiled written testimony of Mak Moore. None of the Certificate holders appeared at the hearing. McDaniel noted that Moore monitored the filings made by telecommunications providers under the jurisdiction of the Commission. McDaniel furnished a list made by Moore of the telecommunications carriers which have failed to file the required annual reports or gross receipts report as of the date of the hearing. McDaniel noted that four (4) carriers filed the appropriate reports and are in compliance with the Commission's regulations. Additionally, twenty-one (21) carriers have been removed from the list because their certificates have previously been canceled or approved by the Commission for an asset transfer or name change. McDaniel furnished an additional list drafted by Moore of telecommunications carriers which have filed the required forms or have otherwise come into compliance since the issuance of the Rule to Show Cause.

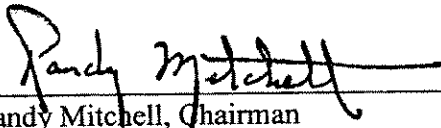
According to McDaniel, at the time of the hearing one hundred seventy-nine telecommunications carriers named in the Rule to Show Cause remained out of compliance with the Commission's Rules and Regulations by failing to file annual reports or gross receipts. ORS recommended through witness McDaniel that the Commission revoke the Certificates of those carriers who have not complied with the

filing requirements before the Commission's Order on this matter as issued. ORS did note that if a carrier came into compliance before the issuance of an order ruling on this matter, ORS would request that the Commission not revoke the certificate of any carrier that makes the requisite filings before the issuance of the Order in this matter by the Commission.

We hereby revoke the Certificates of Public Convenience and Necessity of the carriers on the attached list for failure to file the required annual report or gross receipts report, which is the list submitted by Moore (McDaniel) at the hearing on this case, with one exception. (See Order Exhibit No. 1.) TotalTel, Inc. was listed as being out of compliance, however that Company subsequently stated that it had submitted the necessary information by filing under its current name of Covista, Inc. As the Commission had not approved such a name change, ORS had not removed Totaltel from the exhibit of companies out of compliance. Totaltel-Covista's Certificate is therefore not revoked at this time, although Totaltel needs to submit the necessary name change request to this Commission. The Certificates of the remaining companies on the list are revoked.


This Order shall remain in full force and effect until further Order of the
Commission.

BY ORDER OF THE COMMISSION:



Randy Mitchell, Chairman

ATTEST:



G. O'Neal Hamilton, Vice-Chairman

(SEAL)

EXHIBIT D (UPDATED 12/1/05)

NO AGENT

Exhibit MM-1
Page 11 of 18

LIST OF COMPANIES FAILING TO FILE REQUIRED DOCUMENTS

COMPANY NAME AND ADDRESS	REGISTERED AGENT	DOCKET NUMBER	ORDER NUMBER	DATE CERTIFICATE ISSUED	ANNUAL REPORT	GROSS RECEIPTS	NOTES
American Business Alliance 22 Division Street Kingston, PA 18704	Agent Resigned	1996-106-C	1996-649	09/17/96	N	N	
American Public Communications, Inc. 3200 Broadway, Ste. 360 Garland, TX 75043	Agent Resigned	1990-30-C	1990-715	07/23/90	N	N	
American Telecommunications Enterprise, Inc. 7323 Oswego Road Liverpool, NY 13090	Agent Resigned	1994-89-C	1994-567	07/01/94	N	N	
Atcall, Inc. 3000 K St., NW, Ste 300 Washington, DC 20007-5116	Agent Resigned	1995-1178-C	1996-94	02/09/96	N	N	
Avana Communications 1690 Chantilly Dr. Atlanta, GA 30324	Discontinuance of Agt's Address	1999-364-C	2000-0080	01/19/00	N	N	
Avana Communications 1690 Chantilly Dr. Atlanta, GA 30324	Discontinuance of Agt's Address	1999-416-C	2000-0080	01/19/00	N	N	
Columbia Telecommunications, Inc. 11823 Market Place Avenue Baton Rouge, LA 70896	Agent Resigned	1999-213-C	1999-797	11/08/99	N	N	
Columbia Telecommunications, Inc. 11823 Market Place Avenue Baton Rouge, LA 70896	Agent Resigned	1999-312-C	1999-799	11/09/99	N	N	
Elias Ventures, Inc. 7633 E. 63rd Place, Ste. 500 Tulsa, OK 74133	Agent Resigned	1998-177-C	1998-741	09/25/98	N	N	
Erbia Network, Inc. 1483 Chain Bridge Rd., Ste. 300 McLean, VA 22101	Agent Resigned	1999-155-C	2000-710	08/29/00	N	N	
Fiatel, Inc. 900 Osceola Drive, Suite 208 West Palm Beach, FL 33409	Agent Resigned	1999-515-C	2000-0380	04/26/00	Y	N Carolyn Faxed to him - Carolyn never received back	do not telephone USA 2300 Palm Beach, Fla. Suite 208 Palm Beach, FL 33409 1998/08/11/02 1998/08/11/02 1998/08/11/02
Foxtel, Inc. 333 Holcomb Ave., Ste. 200 Reno, NV 89502	Agent Resigned	2001-402-C	2002-233	03/28/02	N	N	
Global Crest Communications, Inc. 4752 NW 167th Street Miami, FL 33014	Agent Resigned	2001-311-C	2002-828	12/09/02	N	N	

182402
182403

2005-224C
1999-SIS-C

FLATEL

Florida Telephone Co.
Telephone USA
2300 Palm Beach Lakes Blvd.
Executive Center, Suite 210
West Palm Beach, FL 33409

Abby Matari
P. 561-688-2525 Ext 102
F. 561-688-7334
E. Ametari@Flatel.net
W. www.Flatel.net

COPY

October 19, 2006

Charles Terreni
Office Of Regulatory Staff
1441 Main St., Suite 300
Columbia, SC 29201

Posted: _____

Dept: _____

Date: _____

Time: _____

RE: OrderNo.2006-55
Reinstatement of FLATEL Certificate

Mr. Charles Terreni,

I would greatly appreciate your assistance in reinstating FLATEL's Certificate to operate in the State of South Carolina. It was brought to my attention that our Certificate was revoked or inactive for failure to provide the 2004 South Carolina Telecommunications Annual Gross Receipts Report.

Please note that FLATEL has since moved its corporate office from our old location of 900 Osceola Dr., Suite 208 West Palm Beach, FL 33409 to 2300 Palm Beach lakes Blvd., Suite 210, West Palm Beach, FL 33409. An email notifying the move was delivered to all of the Utilities Commission throughout the country including the State of South Carolina.

I have attached for your review all of the State, Municipal, License and Annual Reporting to date including the period of 2004 which is in question to reinforce my request. It is FLATEL's intent to be in compliance with the Commission.

If you have any questions or concerns regarding this letter, please contact our corporate office at the information provided in our letterhead.

Best Regards,



Mr. Abby Matari
CEO / Corporate Development

Cc: Office Regulatory Staff



STATE OF SOUTH CAROLINA
DEPARTMENT OF REVENUE

**2005 Telecommunications Annual Report
Reporting on 2004 Gross Income**

C-287
(11/18/04)
0232

Instructions: Please verify the company contact information provided below and make the necessary changes in the right column. Then, complete the annual report listing the gross income from retail telecommunications for the preceding calendar or fiscal year ending in 2004. If your business has been in operation for less than one year, an estimate of gross income should be reported for the remainder of the initial year, based on a twelve-month projected income.

Please return this report to the Department of Revenue, at the address listed below, by March 31, 2005.

**Current Company Contact Information for
Telecommunications Annual Report only:**

Corrections:

If you currently file with the SC Public Service Commission (PSC) and/or the FCC, you must notify the PSC and/or FCC of any mergers, company name changes, closings, or bankruptcies before the Department of Revenue can update their records.

Business Name: Flatel Inc d/b/a Telephone USA
Business Type: ~~Other~~
FED:
Contact Person: Abby Mater
Contact Title: Vice President / CFO
Mailing Address: 2300 Palm Beach Lakes Blvd. Ste.
West Palm Beach, FL 33409-0000
Phone: 5616882525104
Toll Phone: 8887776580
Fax: 5616887334
E-Mail: amater1@floridatele
Website:

amater1@flatel.net

Gross Income (please complete for all business income):

Other Business Income	1. \$ <u>571813.89</u>
Local Exchange (ILEC) Income	2. \$ <u>0</u>
Long Distance (IXC) Income	3. \$ <u>0</u>
Paging Income	4. \$ <u>0</u>
Wireless Income	5. \$ <u>0</u>
Statewide Gross Income (Enter total of lines 1 through 5) (As defined by SC Code Section 58-9-2220)	6. \$ <u>571813.89</u>

Note: If your company is engaged in more than one activity, please report gross income by each activity. Do not include any income from retail store-front product sales.

I do hereby certify that the amounts shown on this annual report are true and correct and in compliance with Section 58-9-2630.

Adriana Solar
Print Name of Preparer

[Signature]
Signature of Preparer

CFO
Title of Preparer

561-688-2525
Telephone Number of Preparer

Return to: South Carolina Department of Revenue
Telecommunications
P. O. Box 125
Columbia, SC 29214-1320

Any questions concerning this annual report should be directed to (803) 898-8000.

Date	Num	Payee	Cat	Memo	Amount
3/12/2004	4411	STATE OF SOUTH CAROLINA	CORPORATE TAX		\$ 221.00
3/25/2004	4424	STATE OF SOUTH CAROLINA	Communication Service Tax		Feb-04 \$ 1,745.09
3/25/2004	4429	STATE OF SOUTH CAROLINA	Communication Service Tax		Jan-04 \$ 1,725.24
4/21/2004	4476	STATE OF SOUTH CAROLINA	Communication Service Tax		Mar-04 \$ 2,085.35
5/12/2004	4504	STATE OF SOUTH CAROLINA	Communication Service Tax		Apr-04 \$ 1,988.56
6/8/2004	4529	STATE OF SOUTH CAROLINA	Communication Service Tax		May-04 \$ 2,203.30
7/16/2004	4583	STATE OF SOUTH CAROLINA	Communication Service Tax		Jun-04 \$ 2,323.98
7/20/2004	4607	STATE OF SOUTH CAROLINA	Regulatory Assessment Fee	2004 annual report	\$ 295.31
8/10/2004	4641	STATE OF SOUTH CAROLINA	Communication Service Tax		Jul-04 \$ 2,558.59
8/16/2004	4658	MUNICIPAL ASSOCIATION OF SOUTH CAROLINA	Licenses and Permits	BUSINESS LICENSE	\$ 88.60
9/15/2004	4700	STATE OF SOUTH CAROLINA	Communication Service Tax		Aug-04 \$ 2,502.83
10/6/2004	4725	SOUTH CAROLINA PUBLIC SERVICE COMMISSION	Licenses and Permits		\$ 10.50
11/5/2004	4777	STATE OF SOUTH CAROLINA	Communication Service Tax	Per Ending 10-31-2004	\$ 2,062.84
12/16/2004	4828	STATE OF SOUTH CAROLINA	Communication Service Tax	period ending 11-30-04	\$ 1,988.98
1/14/2005	4871	STATE OF SOUTH CAROLINA	Communication Service Tax	period ending 12/31/2004	\$ 2,480.20
1/14/2005	4874	STATE OF SOUTH CAROLINA	Legal-Prof Fees	Retail License 09933577-6	\$ 60.26
1/14/2005	4875	STATE OF SOUTH CAROLINA	Legal-Prof Fees	Retail License 09933577-6	\$ 48.16
1/14/2005	4876	STATE OF SOUTH CAROLINA	Legal-Prof Fees	Retail License 09933577-6	\$ 101.72
2/10/2005	4931	STATE OF SOUTH CAROLINA	Communication Service Tax	per ending 1-31-05 state sales tax	\$ 3,014.12
2/23/2005	4951	MUNICIPAL ASSOCIATION OF SOUTH CAROLINA	Licenses and Permits	BUSINESS LICENSE	\$ 9,314.88
3/24/2005	4988	STATE OF SOUTH CAROLINA	Communication Service Tax		2/28/2005 \$ 3,128.03
4/11/2005	5012	STATE OF SOUTH CAROLINA	Communication Service Tax		3/31/2005 \$ 3,214.19
4/16/2005	5027	STATE OF SOUTH CAROLINA	Communication Service Tax	09/2004 WITH PENALTY	\$ 210.78
5/5/2005	5059	STATE OF SOUTH CAROLINA	Late Fees		3/20/2005 \$ 242.48
5/10/2005	5067	STATE OF SOUTH CAROLINA	Communication Service Tax		Apr-05 \$ 2,986.53
6/16/2005	5132	STATE OF SOUTH CAROLINA	Communication Service Tax		May-05 \$ 3,274.57
7/21/2005	5186	STATE OF SOUTH CAROLINA	Communication Service Tax		Jun-05 \$ 3,444.95
8/8/2005	5217	STATE OF SOUTH CAROLINA	Communication Service Tax		Jul-05 \$ 3,482.41
8/22/2005	5234	STATE OF SOUTH CAROLINA	Late Fees		7/20/2005 \$ 265.75
9/21/2005	5277	STATE OF SOUTH CAROLINA	Communication Service Tax		Aug-05 \$ 4,129.08
10/14/2005	5311	STATE OF SOUTH CAROLINA	Communication Service Tax		Sep-05 \$ 4,899.42
11/28/2005	5354	STATE OF SOUTH CAROLINA	Communication Service Tax		Oct-05 \$ 4,796.51
1/6/2006	5403	MUNICIPAL ASSOCIATION OF SOUTH CAROLINA	Licenses and Permits	BUSINESS LICENSE 2006	\$ 8,474.62
1/10/2006	5405	STATE OF SOUTH CAROLINA	Late Fees	BILL 1-031874879-7 10-05	\$ 377.75
3/21/2006	5510	STATE OF SOUTH CAROLINA	Late Fees	3-50701997-9 Aug and Sept 2005	\$ 618.60
4/5/2006	5525	SOUTH CAROLINA REGULATORY STAFF	RELAY SURCHARGE		Mar-06 \$ 278.85
4/18/2006	5554	STATE OF SOUTH CAROLINA	Late Fees	3-50701997-9 Aug and Sept 2005	\$ 394.21
5/4/2006	5563	SOUTH CAROLINA REGULATORY STAFF	RELAY SURCHARGE		Apr-06 \$ 236.70
5/19/2006	5591	STATE OF SOUTH CAROLINA	Sales And Use Tax		Apr-06 \$ 4,611.64
6/6/2006	5610	SOUTH CAROLINA REGULATORY STAFF	RELAY SURCHARGE		May-06 \$ 200.65
6/26/2006	5630	STATE OF SOUTH CAROLINA	Late Fees		Feb-06 \$ 288.57
7/7/2006	5648	STATE OF SOUTH CAROLINA	Sales And Use Tax		Jun-06 \$ 4,213.44
7/26/2006	5665	STATE OF SOUTH CAROLINA	Late Fees	May 2006 5-06	\$ 385.15
8/2/2006	5673	SOUTH CAROLINA REGULATORY STAFF	RELAY SURCHARGE		Jul-06 \$ 148.35
8/7/2006	5698	STATE OF SOUTH CAROLINA	Sales And Use Tax		Jul-06 \$ 4,448.42
8/28/2006	5708	STATE OF SOUTH CAROLINA	Sales And Use Tax		Feb-06 \$ 288.66
9/5/2006	5712	SOUTH CAROLINA REGULATORY STAFF	RELAY SURCHARGE		Aug-06 \$ 133.35
9/8/2006	5726	STATE OF SOUTH CAROLINA	Sales And Use Tax		Feb-06 \$ 4,459.73

EXHIBIT D (UPDATED 12/1/05)

NO AGENT

LIST OF COMPANIES FAILING TO FILE REQUIRED DOCUMENTS

Exhibit MM-1
Page 11 of 18

COMPANY NAME AND ADDRESS	REGISTERED AGENT	DOCKET NUMBER	ORDER NUMBER	DATE CERTIFICATE ISSUED	ANNUAL REPORT	GROSS RECEIPTS	NOTES
American Business Alliance 22 Division Street Kingston, PA 18704	Agent Resigned	1996-105-C	1895-845	08/17/96	N	N	
American Public Communications, Inc. 3200 Broadway, Ste. 380 Garland, TX 75043	Agent Resigned	1990-30-C	1890-715	07/23/90	N	N	
American Telecommunications Enterprises, Inc. 7323 Oswego Road Liverpool, NY 13090	Agent Resigned	1994-89-C	1894-567	07/01/94	N	N	
3000 K St. NW, Ste 300 Washington, DC 20007-6116	Agent Resigned	1985-1178-C	1888-94	02/09/86	N	N	
1680 Chantilly Dr. Atlanta, GA 30324	Discontinuance of Agt's Address	1988-394-C	2000-0060	01/19/00	N	N	
1090 Chantilly Dr. Atlanta, GA 30324	Discontinuance of Agt's Address	1988-415-C	2000-0080	01/19/00	N	N	
11823 Market Place Avenue Baton Rouge, LA 70808	Agent Resigned	1999-213-C	1998-797	11/08/99	N	N	
11823 Market Place Avenue Baton Rouge, LA 70808	Agent Resigned	1999-312-C	1998-798	11/09/99	N	N	
Elisa Ventures, Inc. 7533 E. 83rd Place, Ste. 503 Tulsa, OK 74133	Agent Resigned	1998-177-C	1998-741	09/25/98	N	N	
1483 Chain Bridge Rd., Ste. 300 McLean, VA 22101	Agent Resigned	1989-153-C	2000-710	09/28/00	N	N	
Partial, Inc. 900 Cascade Drive, Suite 208 West Palm Beach, FL 33408	Agent Resigned	1999-515-C	2000-0390	04/28/00	Y	N Carolyn Failed to file Carolyn never received back.	
333 Hickory Ave., Ste. 200 Reno, NV 89502	Agent Resigned	2001-402-C	2002-233	03/28/02	N	N	
Global Grass Communications, Inc. 4752 NW 167th Street Miami, FL 33014	Agent Resigned	2001-311-C	2002-628	12/09/02	N	N	

ANNUAL INFORMATION ON SOUTH CAROLINA OPERATIONS

SCHEDULE 9: INTEREXCHANGE COMPANIES AND ALTERNATIVE OPERATOR
SERVICE PROVIDERS

COMPANY NAME

FEDERAL ID #

ADDRESS

PHONE NUMBER

CITY, STATE, ZIP CODE

FAX NUMBER

1. SOUTH CAROLINA OPERATING REVENUES FOR THE 12 MONTHS ENDING
DECEMBER 31, 2005 OR FISCAL YEAR. \$ _____
2. SOUTH CAROLINA OPERATING EXPENSES FOR THE 12 MONTHS ENDING
DECEMBER 31, 2005 OR FISCAL YEAR. \$ _____
3. RATE BASE INVESTMENT IN SOUTH CAROLINA OPERATIONS FOR THE 12 MONTHS
ENDING DECEMBER 31, 2005 OR FISCAL YEAR:

Gross Plant in located or allocated to South Carolina operations \$ _____

CWIP located in or allocated to South Carolina operations \$ _____

Land located in or allocated to South Carolina operations \$ _____

Accumulated Depreciation of South Carolina Plant (\$ _____)

Net Rate Base located in or allocated to South Carolina operations \$ _____

4. PARENT'S CAPITAL STRUCTURE FOR THE 12 MONTHS ENDING
DECEMBER 31, 2005 OR FISCAL YEAR:

LONG TERM DEBT \$ _____

EQUITY \$ _____

5. PARENT'S AVERAGE RATE OF INTEREST ON LONG TERM DEBT _____ %.

6. CONTACT PERSON FOR ALL FINANCIAL INQUIRES AND REPORTING:

NAME _____

ADDRESS IF DIFFERENT FROM COMPANY _____

TELEPHONE NUMBER _____

ANNUAL INFORMATION ON SOUTH CAROLINA OPERATIONS

FOR INTEREXCHANGE COMPANIES AND AOS'

7. ALL DETAILS ON THE ALLOCATION METHOD USED TO DETERMINE THE AMOUNT OF EXPENSES ALLOCATED TO SOUTH CAROLINA OPERATIONS AS WELL AS METHOD OF ALLOCATION OF COMPANY'S RATE BASE INVESTMENT (SEE #3 ABOVE)(USE BACK IF NEEDED).

NAME OF OFFICER SIGNING FORM (PRINT OR TYPE) _____

SIGNATURE _____

TITLE _____

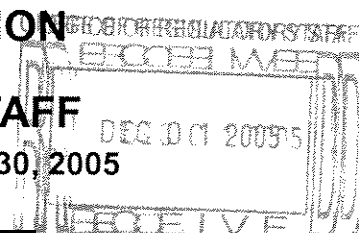
SOUTH CAROLINA PUBLIC SERVICE COMMISSION

and

SOUTH CAROLINA OFFICE OF REGULATORY STAFF

GROSS RECEIPTS FOR THE TWELVE (12) MONTHS ENDING JUNE 30, 2005

(Please correct preprinted information as required)



FLATEL, Inc.

Company Name (as shown on Certificate)

Florida Telephone Company, Telephone USA

List d/b/a and/or f/k/a aliases

2300 Palm Beach Lakes Blvd Suite 210

Address

City

State

Zip Code

West Palm Beach

Florida

33409

Regulatory Contact

Area Code & Phone Number

INTRASTATE GROSS RECEIPTS

Intrastate Regulated Gross Receipts in South Carolina from:

Water Revenues

\$

Sewer Revenues

Electricity Revenues

Gas Revenues

Railroad Revenues

Telecommunications Revenues:

ILEC

CLEC

IXC

Total Intrastate Regulated Gross Receipts in South Carolina

\$

Pre-paid local service only

Preparer's Signature

Date

State of

Florida

County of

Palm Beach

Affidavit

Personally appeared before me Adriana Soler who, being duly sworn, says that he/she is the _____ of _____ (Company) and that the foregoing statement, for the twelve (12) months ending June 30, 2005, is correctly taken from the books and records of said Company, and is true to the best of his/her knowledge and belief.

Sworn to and subscribed before me this 23rd day of November, 2005.

Notary Public

My commission expires

November 9, 2007

Return completed form via U.S. Mail to:

South Carolina Office of Regulatory Staff
Attention: Dorothy Marchant
P.O. Box 11263
Columbia, SC 29211

Place
Seal
Here

Cathy Albello
Commission #DD265847
Expires: Nov 09, 2007
Bonded Thru
Atlantic Bonding Co., Inc.

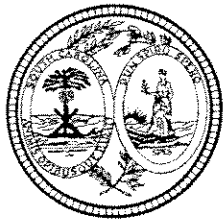
Timely completion and submission of this form satisfies the Gross Receipts reporting requirements of both the Public Service Commission and Office of Regulatory Staff.

Return Deadline is August 31, 2005

ATTACHMENT F

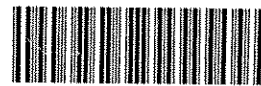
ATTACHMENT G

65-0788827



SOUTH CAROLINA PUBLIC SERVICE COMMISSION
and
SOUTH CAROLINA OFFICE OF REGULATORY STAFF

GROSS RECEIPTS FOR THE TWELVE (12) MONTHS ENDING JUNE 30, 2006
(Please correct preprinted information as required)



Flatel, Inc

Company Name (as shown on Certificate)

Flatel, Inc.

List d/b/a and/or f/k/a aliases

2300 Palm Beach Lakes Blvd

West Palm Beach

CL

33409

Address

City

State

Zip Code

Regulatory Contact

Area Code & Phone Number

E-Mail

INTRASTATE GROSS RECEIPTS

Intrastate Gross Receipts in South Carolina from:

Water Revenues

\$

Sewer Revenues

Electricity Revenues

Gas Revenues

Railroad Revenues

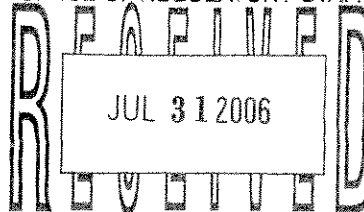
Telecommunications Revenues:

ILEC

CLEC -

IXC

OFFICE OF REGULATORY STAFF



Total Intra state Gross Receipts in South Carolina

\$ 4,204,071.96

Preparer's Signature

Date

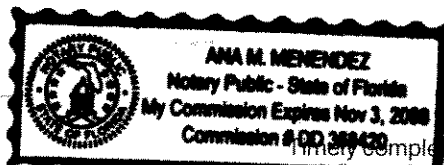
State of FLORIDA County of Palm Beach AffidavitPersonally appeared before me GUSTAVO MORAN who, being duly sworn,says that he/she is the ACCOUNTANT of FLATEL INC (Company) andthat the foregoing statement, for the twelve (12) months ending June 30, 2006, is correctly taken from the books and records of said Company, and is true to the best of his/her knowledge and belief.Sworn to and subscribed before me this 26 day of July, 2006.

Notary Public

My commission expires

Return completed form via U.S. Mail to:

South Carolina Office of Regulatory Staff
Attention: Robert Sutherland
P.O. Box 11263
Columbia, SC 29211



Place

Seal

Here

Timely completion and submission of this form satisfies the Gross Receipts reporting requirements of both the Public Service Commission and Office of Regulatory Staff.

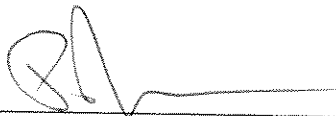
BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA

DOCKET NO. 1999-515-C and 2005-224-C

IN RE:)	
Request of Flatel, Inc. d/b/a Telephone USA for	)	CERTIFICATE OF
Reinstatement of Its Certificate of Public	)	SERVICE
Convenience and Necessity)	

This is to certify that I, Pamela J. McMullan, an employee with the Office of Regulatory Staff, have this date served one (1) copy of the **RESPONSE TO REQUEST OF FLATEL, INC. FOR REINSTATEMENT** in the above-referenced matter to the person(s) named below by causing said copy to be deposited in the United States Postal Service, first class postage prepaid and affixed thereto, and addressed as shown below:

Mr. Abby Matari, CEO
Flatel, Inc.
2300 Palm Beach Lakes Blvd.
Executive Center, Suite 210
West Palm Beach, FL 33409



Pamela J. McMullan

October 30, 2006
Columbia, South Carolina